



Thursday, 16th June 2011

(ASX Code: KAR)

ASX ANNOUNCEMENT

Browse Basin Drilling Campaign Update

Karooon Gas Australia Ltd provides the following information to clarify media reports over the previous day in relation to the status of relevant federal government approvals for its proposed Browse Basin drilling program.

During May 2011 a new application for a drilling approval was submitted to the Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC), subsequent to this application DSEWPaC requested additional information to support the application. This additional information was provided. At the time of the request DSEWPaC suspended the approval timeline from application submission until the additional information was assessed and considered sufficient.

The operator, ConocoPhillips has now been informed by DSEWPaC that the approval timeline has re-commenced and the decision on the drilling application is due on 4 July 2011. The joint venture remains in discussions with a drilling contractor to secure access to a drilling rig in preparation to commence the five to eight well Browse Basin drilling program later in 2011, provided a positive outcome is received from DSEWPaC. Rig contracts will be finalised on obtaining the necessary environmental approvals.

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